

# OCTOBER 23 - 27, 2023 MARKET SUMMARY



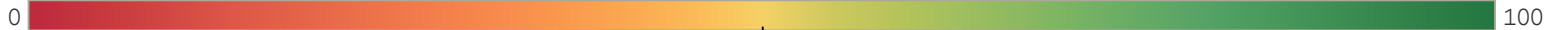
## SPOTLIGHT | FERC Accepts ISO New England Plan Facilitating Storage as Transmission-Only Assets

**Storage as transmission-only assets (SATOAs) integrate electric storage resources into transmission equipment to prevent localized overloading and can add to transmission line capacity or serve as an alternative to building transmission projects in some instances. As transmission-only assets, SATOAs will not be sold....**

Storage as transmission-only assets (SATOAs) integrate electric storage resources into transmission equipment to prevent localized overloading and can add to transmission line capacity or serve as an alternative to building transmission projects in some instances. As transmission only assets, SATOAs will not be sold on the wholesale electricity market and would be owned and maintained by transmission companies under the oversight of the ISO. In comments on the initial SATOA proposal to FERC, Advanced Energy United raised concerns that limiting market participation may constrain deployment of more flexible use cases of energy storage. FERC concluded in its acceptance last week that they find the proposal to establish a framework under which an electric storage resource may be considered a transmission asset to be just and reasonable and not unduly discriminatory or preferential. The new rules will not impact the almost 2,000 MW of pumped hydro storage, the 600 MW of new and existing battery storage resources that have secured capacity obligations for the upcoming 2024-2025 commitment period, or apply to about 18,000 MW of battery resources in ISO-New England's interconnection queue. FERC directed ISO New England to submit a filing identifying the effective date of the SATOA revisions no less than 30 days prior to their implementation.

## CES SCORE | Is it Time for Action?

The **CES SCORE** shows how current wholesale commodity prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week **HIGH**; a score close to 100 indicates that current prices are close to their 52-week **LOW**. Many factors influence how wholesale prices are translated into retail prices paid by consumers and when it is time to consider a price lock. Please contact your CES Energy Services Advisor for customized strategic procurement advice.



### NATURAL GAS NYMEX TERMS

12 MONTH: 91
18 MONTH: 86
24 MONTH: 87
36 MONTH: 84

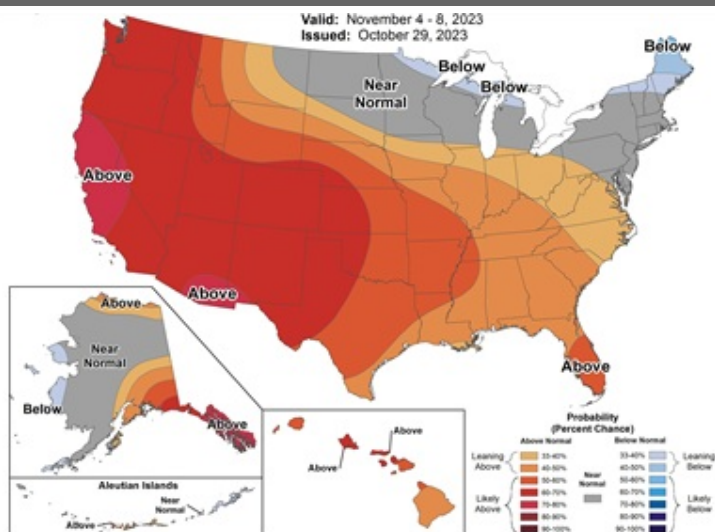
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 98
18 MONTH: 86
24 MONTH: 91
36 MONTH: 82

### CRUDE OIL TERMS

12 MONTH: 61
18 MONTH: 59
24 MONTH: 57
36 MONTH: 54

## WEATHER | 6-10 Day Forecast

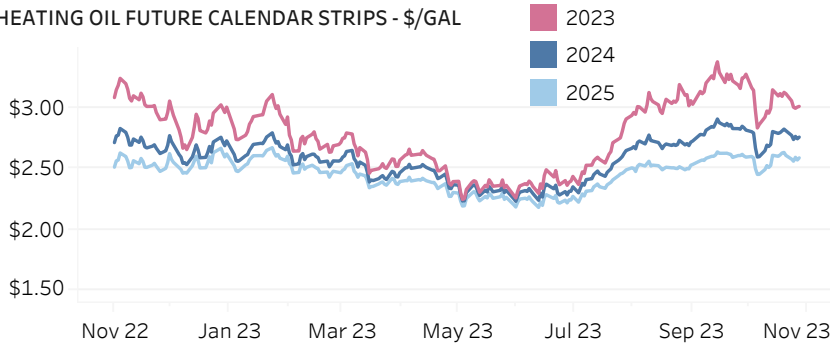


**While New England and parts of the Midwest will experience seasonal temperatures in the coming week, above average temperatures are expected for much of the remainder of the country.**

This map depicts forecasted temperatures for next week compared to the long-term average. The **blue/purple** areas are forecast to be colder than normal, gray areas are normal, and **yellow/orange/red** areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

### OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

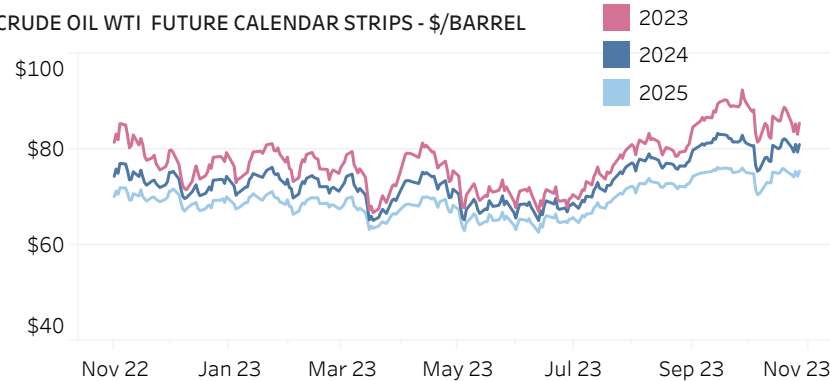


Prompt Month Price For Nov 23

This Week:	\$83.21/Bbl
Prior Week:	\$89.37/Bbl
CHANGE:	(\$6.16)/Bbl

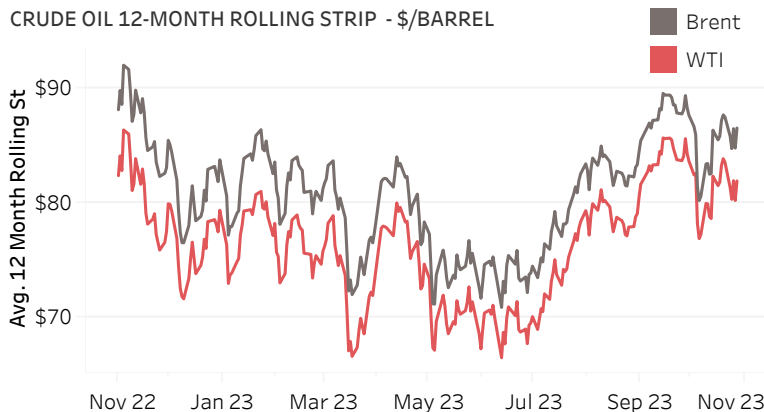
The rolling 12-month price strip for WTI closed at \$80.26/barrel last week, 4.4% lower than a week ago, and the rolling 12-month price strip for Brent closed at \$84.85/Barrel, registering a decline of 3.3% week-over-week. The ongoing Israel-Palestine conflict in the Middle East keeps global crude oil prices volatile. While ceasefire requests from the global community and humanitarian aid channels are easing tensions, a ground offensive from Israel signals that hostilities may worsen. On the monetary policy front, the Federal Reserve is expected to keep interest rates unchanged during its meeting on Wednesday this week. During its meeting in September, Fed policymakers hinted at another interest rate hike before the end of the year. If the Federal Reserve raises the interest rate further, a slump in crude oil demand is likely, potentially causing prices to slide lower. A weak European demand outlook based on manufacturing activity is another factor applying downward pressure on global crude oil demand.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

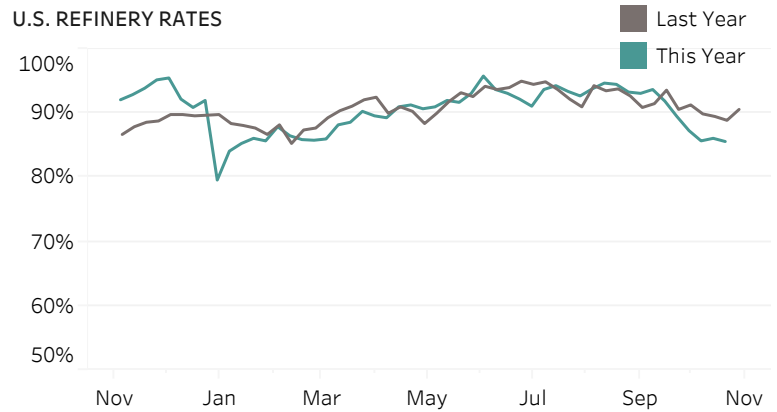


### FUNDAMENTALS

CRUDE OIL 12-MONTH ROLLING STRIP - \$/BARREL

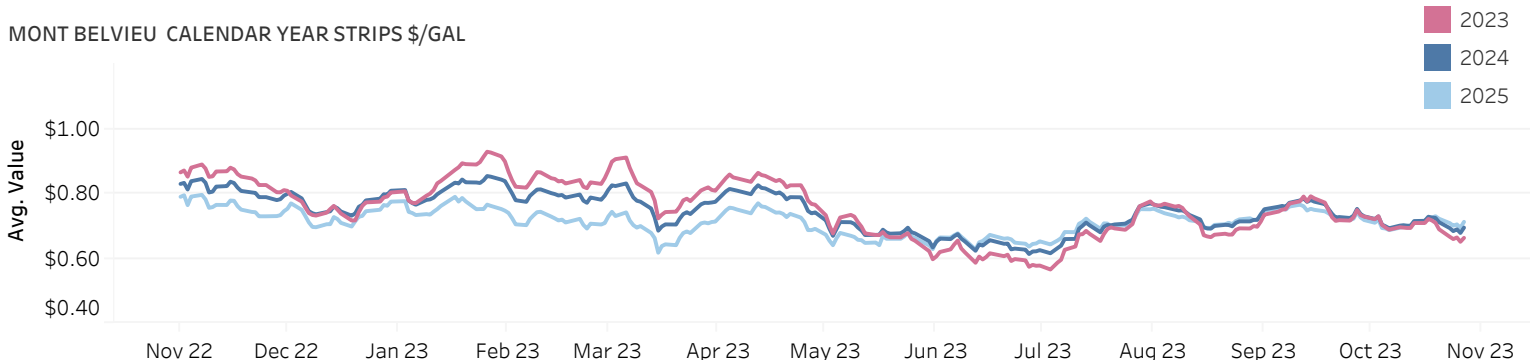


U.S. REFINERY RATES



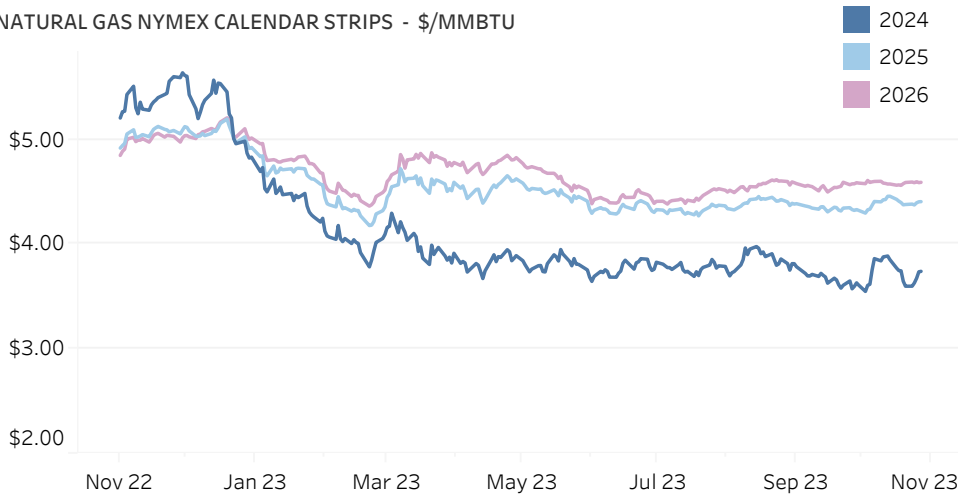
### PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



### NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

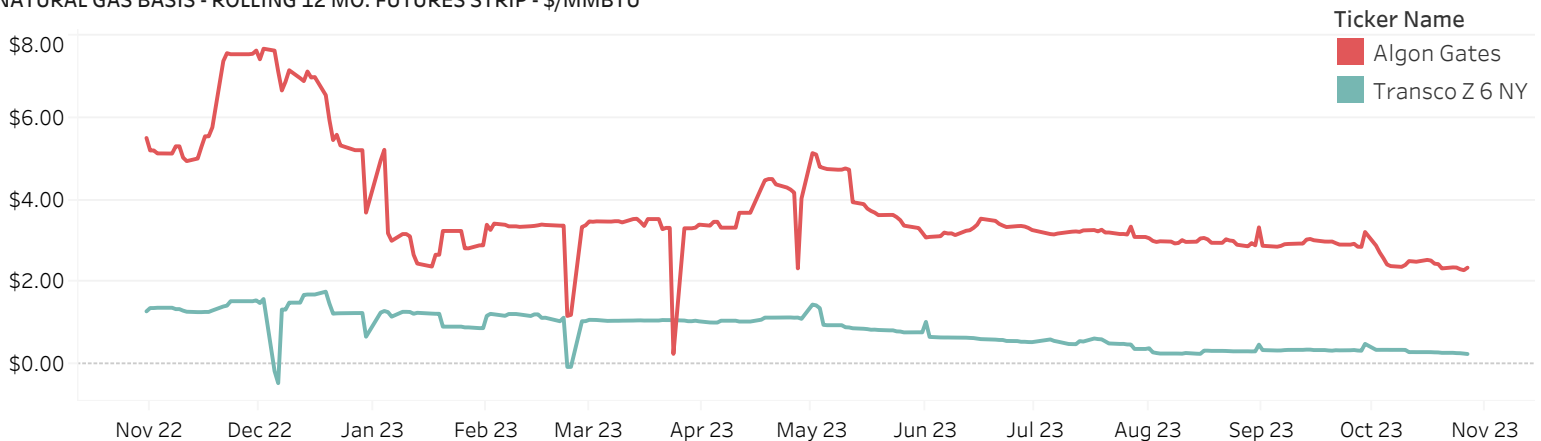
Prompt Month Price For Nov 23

This Week:	\$3.16/MMBTU
Prior Week:	\$2.96/MMBTU
CHANGE:	\$0.21/MMBTU

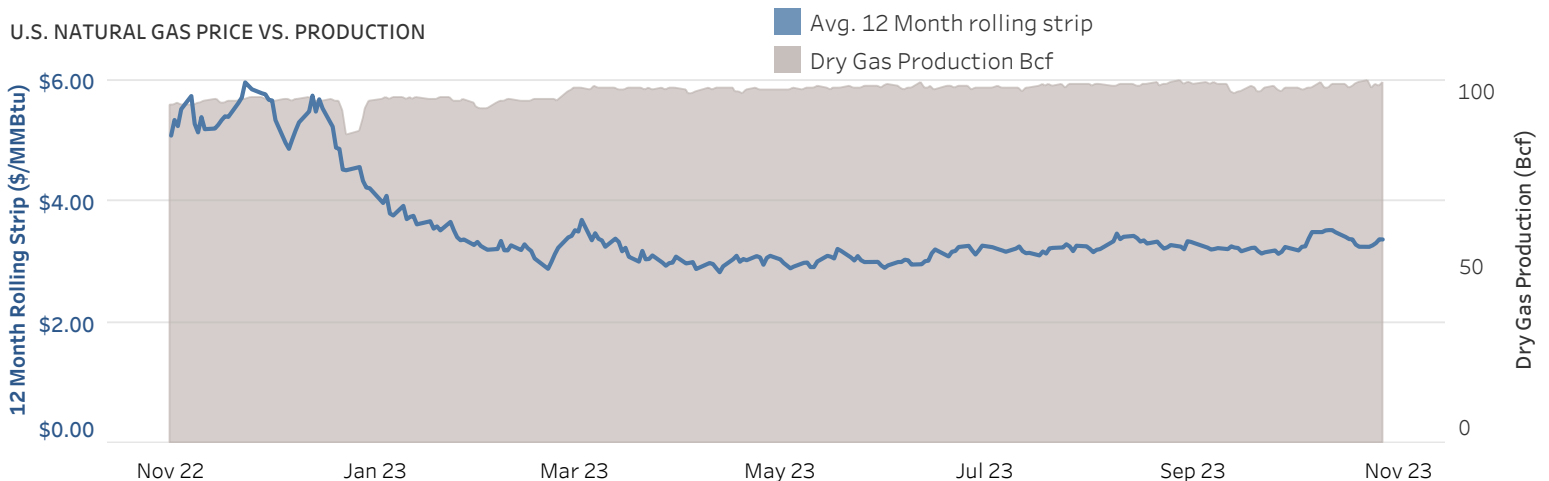
The November NYMEX prompt month futures saw an 8.7% increase week-over-week to land at \$3.21/MMBTU. We saw natural gas production increase slightly last week to the highest it's been since May at 102.6 Bcf/day. Domestic natural gas storage inventories grew 74 Bcf last week, which is at the bottom of the range predicted by analysts. Despite our strong storage surplus of 3,700 Bcf, this smaller than anticipated injection will put some upward pressure on prices. Natural gas consumed in the residential and commercial sector has been increasing for a number of weeks, but last week residential and commercial consumption dropped 10.2% due to warmer temperatures.

### NATURAL GAS FUNDAMENTALS

NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU

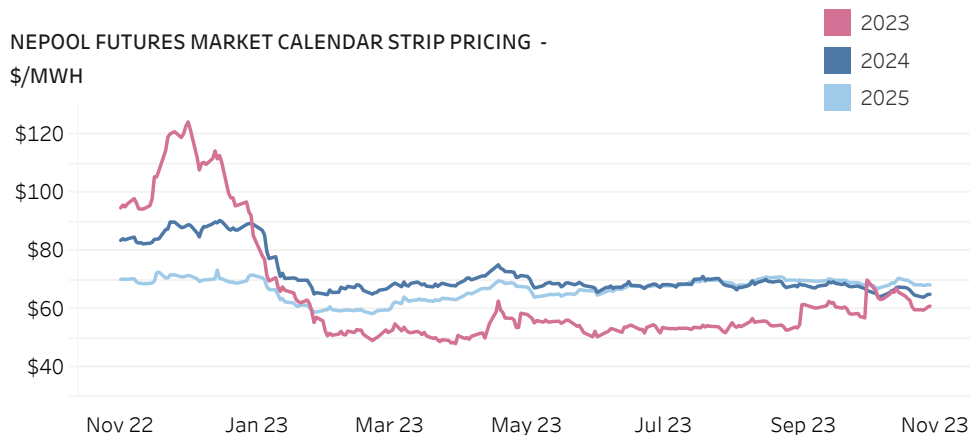


U.S. NATURAL GAS PRICE VS. PRODUCTION



### NEW ENGLAND ELECTRICITY OVERVIEW

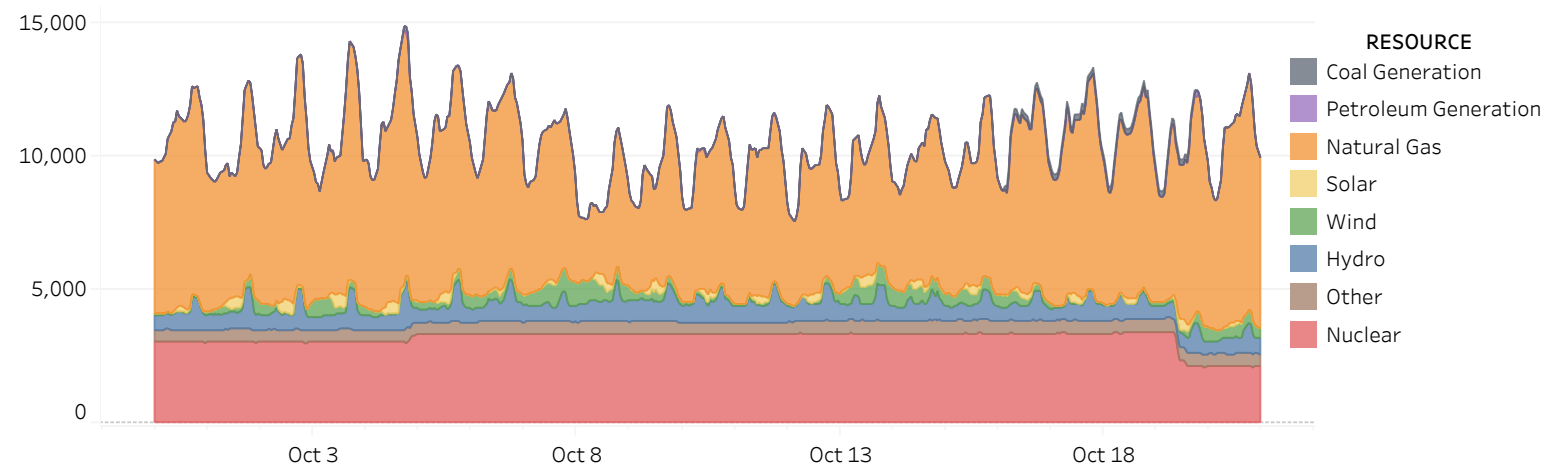
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip continued to fall this past week, settling at \$61.07/MWh, a 0.8% decrease week-over-week. All calendar strips saw losses week-over-week, with the 2024 calendar year strip falling 1% to \$65.25/MWh, the 2025 strip decreasing 0.8% to \$68.66/MWh, and the 2026 strip landing at \$64.77/MWh, 0.2% decrease. Natural gas production increased to the highest it's been since May, but a smaller than anticipated injection put some upward pressure on natural gas and subsequent electricity prices. Warm temperatures have kept heating demand low, but as we enter November, prices will likely respond as cold winter temperatures inevitably materialize.

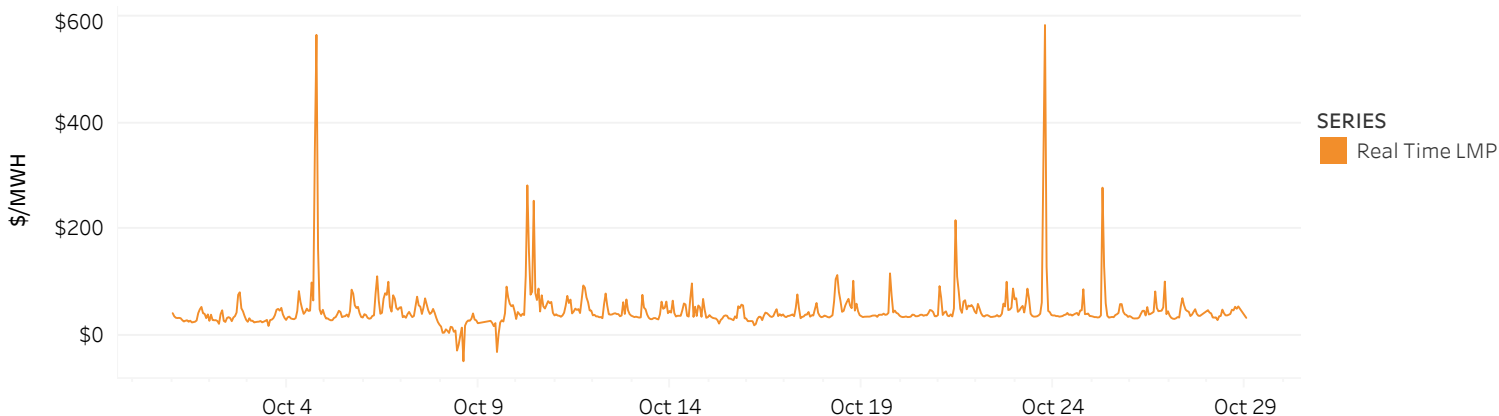
### NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW



### NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



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